

**AGENDA**



<b>RCA - Purchasing</b>	Austin City Council	<b>Item ID:</b>	5298
<b>Meeting Date:</b>	April 21, 2011		
<b>Department:</b>	Purchasing		

**Subject**

Authorize award and execution of a 36-month requirements service contract with TEXAN WASTE EQUIPMENT, INC. dba HEIL OF TEXAS., San Antonio, TX to provide repair parts and services for Heil refuse collection bodies in an estimated amount not to exceed \$1,456,000, with three 12-month extension options in amounts not to exceed \$691,200 for the first extension option, \$829,440 for the second extension option, and \$995,328 for the third extension option, for a total estimated contract amount not to exceed \$3,971,968. Heil of Texas is the single source provider for these parts and services.

**Amount and Source of Funding**

Funding in the amount of \$200,000 is available in the Fiscal Year 2010-2011 Operating Budget of the Financial and Administrative Services Department, Fleet Fund. Funding for the remaining 30 months of the original contract period and extension options is contingent upon available funding in future budgets.

**Fiscal Note**

There is no unanticipated fiscal impact. A fiscal note is not required.

<b>Purchasing Language:</b>	Single Source
<b>Prior Council Action:</b>	
<b>For More Information:</b>	Sharon Patterson, Senior Buyer, 972-4014
<b>Boards and Commission Action:</b>	
<b>MBE / WBE:</b>	This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.
<b>Related Items:</b>	

**Additional Backup Information**

This contract is for the supply of repair parts for non-warranty repairs, non-warranty repair services on an as-needed basis, and a consignment inventory for warranty and non-warranty repairs. The repair parts will be used by the Fleet mechanics for preventative maintenance and repairs of City-owned Heil refuse collection bodies. Heil of Texas will also provide repair services on an as-needed basis. The repair services will be used to supplement the repairs performed by the Fleet mechanics at the Fleet Service Centers.

Heil of Texas has provided the City with an extended warranty on all new Heil refuse collection bodies. To ensure the continuity of fleet services to City departments, the technicians at Fleet Service Center 11 have been certified by Heil to perform warranty repairs on Heil refuse collection bodies. To complete the repairs, the Fleet technicians will have access to a consignment inventory that will be maintained at Service Center 11. On a weekly basis, Heil of Texas will conduct an inventory to confirm parts usage and replenishment requirements. The City will only be charged for

parts used from the consignment inventory if the repairs are not covered by the extended warranty.

In addition, Fleet will have access to the Heil of Texas online system to report all warranty repairs. Once Heil of Texas has confirmed that the warranty applies, the technician will complete the repair and Heil of Texas will process the warranty claim.

This is a single source procurement since Heil of Texas is the only dealer authorized to provide equipment repairs and parts for Heil refuse collection bodies in the State of Texas.